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DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 11-42)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 11-42 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: October 31, 2011.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

OCT 28 2011

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 11-42, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Finland for defense articles and services estimated to cost \$330 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

Richard A. Genaille, Jr.
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 11-42

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Finland
- (ii) Total Estimated Value:

Major Defense Equipment*	\$260 million
Other	\$ <u>70 million</u>
TOTAL	\$330 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 600 STINGER-Reprogrammable Micro-Processor (RMP) Block 1 Anti-Aircraft missiles, 10 STINGER Block 1 Production Verification Flight Test missiles, 110 Gripstock Block 1 Control Groups, 1827 Battery Coolant Units, 16 Tracking Head Trainers (THT), 50 Field Handling Trainers (FHT), 2 GCU-31A/E Gas Charging Units, 110 Night Sights, 1 STINGER Troop Proficiency Trainer, 1 Launch Simulator, 16 THT metal containers, 16 FHT metal containers, refurbishment, upgrades, spare and repair parts, tools and tool sets, support equipment, personnel training and training equipment, publications and technical data, U.S. Government and contractor engineering and logistics support services, and other related elements of logistics support.
- (iv) Military Department: Army (VAG)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex attached.
- (viii) Date Report Delivered to Congress: 28 October 2011

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Finland – Reprogrammable Micro-Processor (RMP) Block 1 Anti-Aircraft Missiles

The Government of Finland has requested a possible sale of 600 STINGER-Reprogrammable Micro-Processor (RMP) Block 1 Anti-Aircraft missiles, 10 STINGER Block 1 Production Verification Flight Test missiles, 110 Gripstock Block 1 Control Groups, 1827 Battery Coolant Units, 16 Tracking Head Trainers (THT), 50 Field Handling Trainers (FHT), 2 GCU-31A/E Gas Charging Units, 110 Night Sights, 1 STINGER Troop Proficiency Trainer, 1 Launch Simulator, 16 THT metal containers, 16 FHT metal containers, refurbishment, upgrades, spare and repair parts, tools and tool sets, support equipment, personnel training and training equipment, publications and technical data, U.S. Government and contractor engineering and logistics support services, and other related elements of logistics support. The estimated cost is \$330 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country that has been, and continues to be, an important force for economic progress in Northern Europe.

This proposed sale will enable Finland to modernize its armed forces and enhance its existing air defense architecture to counter threats posed by air attack. The proposed sale will provide Finland a defensive capability while enhancing interoperability with the U.S. and other allied forces. Finland will have no difficulty absorbing this additional capability into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be Raytheon Missile Systems in Tucson, Arizona. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require 10 U.S. Government or contractor representatives to travel to Finland for a period of eight weeks for equipment checkout and training.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The STINGER-RMP Block I Anti-Aircraft missile is a fire-and-forget infrared missile system that can be fired from a number of ground-to-air and rotary wing platforms. The missile homes in on the heat emitted by either jet or propeller-driven, fixed wing aircraft or helicopters. The STINGER system employs a proportional navigation system that allows it to fly an intercept course to the target. The STINGER Block I International Missile System, hardware, software, and documentation contain sensitive technology and are classified Confidential. The guidance section of the missile and tracking head trainer contain highly sensitive technology and are classified Confidential.

2. Missile system hardware and fire unit components contain sensitive critical technologies. The potential for reverse engineering is not significant for most technologies although the release of some end items could lead to development of countermeasures. STINGER critical technology is primarily in the area of design and production know-how and not end-items. This sensitive/critical technology is inherent in the hybrid microcircuit assemblies; microprocessors; magnetic and amorphous metals; purification; firmware; printed circuit boards; laser range finder; dual detector assembly; detector filters; missile software; optical coatings; ultraviolet sensors; semi-conductor detectors infrared band sensors; compounding and handling of electronic, electro-optic, and optical materials; equipment operating instructions; energetic materials formulation technology; energetic materials fabrication and loading technology; and warhead components seeker assembly. The hardware for all versions of STINGER International Platform Launched Missile is classified Confidential. Information on vulnerability to electronic countermeasures and countermeasures, system performance capabilities and effectiveness, and test data are classified up to Secret.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

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